



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

R. Lynn

February 21, 2007

Mr. Dale M Dorius, Attorney at Law
Dorius, Reyes & Linares
P.O. Box 726
47 Main Street
Gunnison, UT 84634

RE: Gerald Willden, Surface Owner
Trust Lands Mineral Materials Permit No. ML 49448-MP, Bown Building Stone
DOGM Mining Permit #S0390019, Flower Patch Quarry, Bown Stone Products, Inc.

Dear Mr. Dorius:

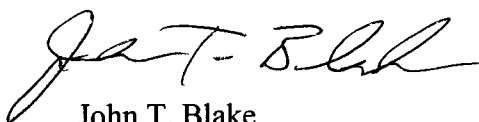
Thank you for your letter of February 9, 2007, bringing to my attention that Bown Building Stone does not have an active status with the Utah Division of Corporations. I advised the Permittee of the need to immediately remedy this problem. (FYI, a copy of my recent letter to Bown Building Stone is enclosed.)

As you are probably aware, Section 53C-2-409 of the Utah Code governs surface use of split estate trust-mineral lands. The statute says in part that the mineral lessee (permittee) may not injure, damage, or destroy the surface improvements of the surface owner, and is liable to the surface owner for all damage to the surface of the land and improvements, *except for reasonable use* (italics added). Further, any mineral lessee (permittee) may occupy as much of the surface of the land as may be reasonable incident to the lessee's rights under the lease by: a) securing the written consent or waiver of the surface owner; b) payment for the damage to the surface of the land; or, c) upon the execution of a good and sufficient bond for the benefit of the surface owner to secure the payment of damages as may be determined and fixed by agreement or undertaking in a court of competent jurisdiction.

The Trust Lands Administration endeavors to ensure that its mineral lessees or permittees operating upon split estate lands have the concurrence of the surface owner. In this particular case Mr. Willden previously provided a letter of waiver to Mrs. Phyllis Bown who held minerals permit No. ML 47722-MP and operated upon these same lands until October, 2004. At the end of October 2004, the permit held by Mrs. Bown was expired in favor of a new permit, ML 49448-MP, issued in the name of Bown Building Stone, covering the same 40 acres of land, effective November 1, 2004. The quarry is presently operated by Bown Stone Products, Inc.

The Flower Patch Quarry, Mineral Materials Permit #ML 49448, DOGM Mining Permit #S0390019, in operation since November 1, 2004, is permitted for mining under a reclamation contract with the Division of Oil, Gas & Mining. Bown Stone Products, Inc. as the operator of the Flower Patch Quarry is bonded with the Utah Division of Oil, Gas & Mining in the amount of \$10,000.00 for reclamation. Please contact Jerome Bown (435-835-1797) of Bown Building Stone/Bown Stone Products, Inc. or Lynn Kunzler (801-538-5310) of the Utah Division of Oil, Gas & Mining to obtain more information regarding the reclamation contract or bond, the amount of acreage affected and the amount of time planned to complete the mining and reclamation operations.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Blake". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Blake".

John T. Blake
Trust Lands Mineral Specialist

CC: Tom Faddies
Tom Mitchell
Lynn Kunzler ✓
Jerome Bown

Enclosure